Ch. 3 Guided Notes

**Using T Accounts**

The accounting equation is not \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to use in a business setting.

The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ represents the Accounting Equation and places everything of value owned on the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and places everything that is an \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ on the Right Side.

The values on the Left **MUST** equal the values on the Right.

**3.1 – Using T-Accounts**

**Vocabulary**

**T - Account**

**Debit**

**Credit**

**Normal Balance**

**When using the T-Account:**

The **Left Side** is recorded and is referred to as a **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

The **Right Side** is recorded and referred to as a **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Account Balances**

**The T-Account will show increases and decreases in Account Balances.**

**The Rules of Increasing or Decreasing:**

1.) Account Balances increase on the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ side of an account.

2.) Account Balances \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ on the side opposite the Normal Balance side of an account.

**3.2 –Analyzing how Transactions Effect Accounts**

Vocabulary

Chart of Accounts

**Questions to Ask when analyzing a Transaction into Debit and Credit Parts:**

**1.)**

**2.)**

**3.)**

**4.)**